



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C., 20463

VIA ELECTRONIC AND FIRST CLASS MAIL

Andrew G. Woodson, Esq.
Wiley Rein LLP
1776 K Street NW
Washington, D.C. 20006
AWoodson@wileyrein.com

MAY 28 2019

RE: MUR 7586

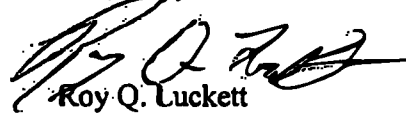
Dear Mr. Woodson:

On May 17, 2019, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on behalf of your clients, International Council of Shopping Centers, Inc. and the International Council of Shopping Centers, Inc. Political Action Committee and Betsy R. Laird in her official capacity as treasurer, in settlement of violations of 52 U.S.C. §§ 30118(a), 30102(b)(2), and 30104(b), provisions of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. §§ 102.6(c)(1), (c)(4), and 102.8 of the Commission's regulations. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondents and the Commission. See 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,


Roy Q. Luckett
Attorney

Enclosure
Conciliation Agreement

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2
3 In the Matter of)

4) MUR 7586

5 International Council of Shopping Centers, Inc.)

6 International Council of Shopping Centers, Inc.)

7 Political Action Committee, and Betsy R. Laird)

8 in her official capacity as treasurer)

9)
10
11 **CONCILIATION AGREEMENT**

12 This matter was initiated by a *sua sponte* submission made to the Federal Election
13 Commission ("Commission") by the International Council of Shopping Centers, Inc. ("ICSC")
14 and International Council of Shopping Centers, Inc. Political Action Committee and Betsy R.
15 Laird in her official capacity as treasurer ("ICSC PAC") (collectively "Respondents"). The
16 Commission found reason to believe that ICSC violated 52 U.S.C. §§ 30118(a) and 30102(b)(2)
17 and 11 C.F.R. § 102.6(c)(4) and 102.8(b), and that ICSC PAC violated 52 U.S.C. § 30118(a),
18 30102(b)(2), and 30104(b) and 11 C.F.R. § 102.6(c)(1).

19 NOW, THEREFORE, the Commission and Respondents, having participated in informal
20 methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as
21 follows:

22 I. The Commission has jurisdiction over the Respondents and the subject matter of
23 this proceeding, and this agreement has the effect of an agreement entered under 52 U.S.C.
24 § 30109(a)(4)(A)(i).

25 II. Respondents have had a reasonable opportunity to demonstrate that no action
26 should be taken in this matter.

27 III. Respondents enter voluntarily into this agreement with the Commission.

28 IV. The pertinent facts in this matter are as follows:

2009 MAY -3 PM 1:42

FEDERAL COUNSEL

1007476000000

1 1. ICSC is an incorporated trade association that represents more than 70,000
2 members of the retail real estate industry.

3 2. ICSC PAC is the separate segregated fund ("SSF") of ICSC and is registered with
4 the Commission as a multi-candidate political committee. Betsy R. Laird is the Committee's
5 treasurer of record.

6 3. The Federal Election Campaign Act of 1971, as amended (the "Act"), prohibits
7 corporations from making contributions to political committees other than independent-
8 expenditure-only political committees ("IEOPCs") in connection with a Federal election, and
9 prohibits political committees other than IEOPCs from knowingly accepting or receiving such
10 contributions. 52 U.S.C. § 30118. However, the Act excludes from the definition of
11 "contribution" a corporation's payment of the costs incurred in the establishment, administration,
12 and contribution solicitations to an SSF utilized for political purposes. 52 U.S.C.
13 § 30118(b)(2)(C); 11 C.F.R. § 114.1(a)(2)(iii). The corporation may pay these costs directly or
14 deposit funds in a special separate administrative account used only to pay the SSF's
15 establishment, solicitation and administration costs, provided that it does not transfer corporate
16 funds into its SSF's (federal) account. *See* 52 U.S.C. § 30118(b)(2)(C); *see also* 11 C.F.R.
17 §§ 114.1(b) and 114.5(b).

18 4. A political committee's disclosure reports must disclose the amount of cash-on-
19 hand at the beginning of each reporting period. *See* 52 U.S.C. § 30104(b)(1). A political
20 committee's disclosure reports must also disclose all receipts and disbursements. *See* 52 U.S.C.
21 § 30104(b)(2) and (4). Committee treasurers are responsible for the timely and complete filing

1004476630

1 of disclosure reports and for the accuracy of the information contained therein. *See* 11 C.F.R.
2 § 104.14(d).

3 5. Every person who receives a contribution of \$50 or less for a political committee
4 that is not an authorized committee shall forward such contribution to the treasurer of the
5 political committee no later than 30 days after receipt. 52 U.S.C. § 30102(b)(2); 11 C.F.R.

6 § 102.8(b)(1). Every person who receives a contribution in excess of \$50 for a political
7 committee that is not an authorized committee shall, no later than 10 days after receipt of the
8 contribution, forward to the treasurer of the political committee the contribution along with other
9 information about the contributor. 52 U.S.C. § 30102(b)(2); 11 C.F.R. § 102.8(b)(2). A
10 corporation that collects and transmits contributions to its SSF is acting as a "collecting agent"
11 under Commission regulations. 11 C.F.R. § 102.6(b)(1)(ii). The collecting agent has certain
12 obligations with respect to the transmittal of contributions. Specifically, the full amount of each
13 contribution collected shall be transmitted to that fund within 10 or 30 days as required.
14 *See* 11 C.F.R. § 102.6(b)(1), (c)(4) and 11 C.F.R. § 102.8. For contributions over \$200, the
15 contributor's occupation and employer must also be forwarded with the contribution. 11 C.F.R.
16 § 102.6(b)(1), (c)(4), and (5), and 11 C.F.R. § 102.8(b)(2); 52 U.S.C. § 30102(b)(2)(B). The date
17 of receipt of the contribution is the date that the collecting agent obtains possession. 11 C.F.R.
18 § 102.8(b)(2).

19 6. SSFs are responsible for ensuring that collecting agents meet recordkeeping,
20 reporting, and transmittal requirements. 11 C.F.R. § 102.6(c)(1). As an SSF of ICSC, ICSC
21 PAC was responsible for ensuring that ICSC, its collecting agent for contributions stemming

1 from membership renewals, timely transferred such deductions to ICSC PAC within the relevant
2 period of 10 or 30 days. *See* 52 U.S.C. § 30102(b)(2) and 11 C.F.R. §§ 102.6(c)(4) and 102.8.

3 7. ICSC PAC solicits voluntary contributions from members at the same time those
4 members renew their ICSC memberships. A typical ICSC dues renewal form for an affiliate
5 member stated that a one-year renewal cost \$125, and it suggested an additional \$25 contribution
6 to ICSC PAC. If a member paid by credit card, the member indicated whether the payment was
7 from individual funds or a corporate credit card by marking a box beside the words "Check here
8 if this is a corporate card." The membership renewal forms informed members that voluntary
9 contributions made to ICSC PAC with corporate funds would be designated to ICSC PAC's
10 administrative account, which is a non-federal account.

11 8. ICSC's membership services department did not uniformly follow proper
12 procedures for handling PAC-related funds when members paid their annual association
13 membership fees and contributed to the PAC at the same time. As a result, certain PAC receipts
14 were misclassified in two ways. First, contributions made with a corporate credit card were
15 incorrectly classified as PAC contributions. Second, individual funds were incorrectly classified
16 as PAC administrative account donations. In each case, the funds were placed into an escrow
17 account for distribution to the respective accounts.

18 9. Respondents mis-deposited \$333,729 in ICSC corporate funds into ICSC PAC's
19 federal account between January 2013 and July 2017. Upon discovery of this activity in 2017,
20 ICSC ultimately transferred all of these funds to ICSC PAC's administrative account.

21 10. ICSC PAC's 2017 Year-End Report disclosed the transfers of \$35,740 of the
22 funds at issue on July 28, 2017. *See* ICSC PAC 2017 Year-End Report at 19 (Jan. 31, 2018).

1 ICSC PAC disclosed transferring the remaining funds on March 23, 2018, which is reflected on
2 its 2018 April Quarterly Report. See ICSC PAC 2018 April Quarterly Report at 19 (Apr. 15,
3 2018).

4 11. ICSC PAC's disclosure reports understated the amount in the PAC's federal
5 account by \$73,216, and this error began occurring sometime before 2013. These
6 understatements resulted in an incorrect cash-on-hand amount reported on each of ICSC PAC's
7 disclosure reports beginning with its 2013 February Monthly Report and continuing through its
8 2017 Year-End Report.

9 12. ICSC PAC amended its disclosure reports, starting with its 2013 February
10 Monthly Report through its 2017 Mid-Year Report, to rectify the understated cash-on-hand
11 balance. See ICSC PAC Amended 2013 February Monthly Report (Jan. 31, 2018) through
12 Amended 2017 Mid-Year Report (Jan. 31, 2018).

13 13. ICSC collected \$9,850 from individual members designated for ICSC PAC's
14 federal account that was not transferred along with other receipts. While these funds were part
15 of receipts processed from July 2013 through February 2014, none were transferred to the
16 appropriate account at those times. Instead, these monies were not transferred to ICSC PAC
17 until January 30, 2018, nearly four years after the last contribution was placed in ICSC's general
18 ledger account, long after the respective 10- and 30-day transfer time periods expired.

19 14. Respondents contend that the errors described herein were inadvertent and, upon
20 learning of these issues, took remedial action by transferring the aforementioned funds,
21 instituting procedures to prevent committing these errors in the future, and notifying the
22 Commission through a *sua sponte* submission.

V. Respondents admit to the following violations of the Act:

1. International Council of Shopping Centers, Inc. violated 2 U.S.C. § 30118(a) by making corporate contributions when it mis-deposited receipts into the incorrect account.
2. International Council of Shopping Centers, Inc. violated 52 U.S.C. § 30102(b)(2) and 11 C.F.R. §§ 102.6(c)(4) and 102.8(b) by failing to transmit funds to ICSC PAC within the appropriate timeframes.
3. International Council of Shopping Centers, Inc. Political Action Committee and its treasurer in her official capacity violated 52 U.S.C. §§ 30118(a) and 30104(b) by accepting corporate contributions and by misreporting its cash-on-hand.
4. International Council of Shopping Centers, Inc. Political Action Committee and its treasurer in her official capacity violated 52 U.S.C. § 30102(b)(2) and 11 C.F.R. § 102.6(c)(1) by failing to ensure that its collecting agent, International Council of Shopping Centers, Inc., complied with the Act's transmittal requirements.

VI. Respondents will take the following actions:

1. Respondents will pay a civil penalty in the amount of Twenty Three Thousand Dollars (\$23,000) to the Federal Election Commission pursuant to 52 U.S.C. § 30109(a)(5)(A).
2. Respondents will cease and desist from violating 52 U.S.C. §§ 30104(b), 30118(a), and 30102(b)(2) and 11 C.F.R. §§ 102.6(c)(1), 102.6(c)(4), and 102.8(b).

1 VII. The Commission, on request of anyone filing a complaint under 52 U.S.C.
2 § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review
3 compliance with this agreement. If the Commission believes that this agreement or any
4 requirement thereof has been violated, it may institute a civil action for relief in the United States
5 District Court for the District of Columbia.

6 VIII. This agreement shall become effective as of the date that all parties hereto have
7 executed same and the Commission has approved the entire agreement.

8 IX. Respondents shall have no more than thirty (30) days from the date this
9 agreement becomes effective to comply with and implement the requirements contained in this
10 agreement and to so notify the Commission.


10044796841

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

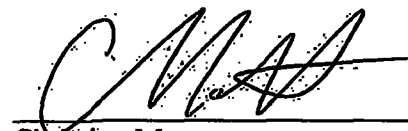
Lisa J. Stevenson
Acting General Counsel

BY:


Charles Kitcher
Acting Associate General Counsel
for Enforcement

5/23/19
Date

FOR THE RESPONDENTS:


Christine Mott
Vice President & General Counsel,
International Council of Shopping Centers

4/26/19
Date